Using the crooked fitness of organizations in managing the change

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ABSTRACT
The paper begins with the presentation of efficiency curve during the organizational change, and it’s determinants. It is emphasized, that change managers can influence on depth and time of endure the efficiency. On this background paper presents the actions which could diminish the costs of changes. They are divided into phases of change process.

Keywords: change, efficiency, the efficiency curve

1. INTRODUCTION

Making decisions regarding the direction, scope and intensity of changes requires consideration and simultaneous consideration of the effects of the change and the consequences of abandoning it. In conditions of permanently changing environment, the organization can not function actively, using the existing potential for as long as it allows it to gain a competitive advantage for a long time. The organization should be proactive, which means a conscious deviation from the previous satisfying activities for the future, more promising, though more risky. However, the success of the change should not be identified with the number of changed organizational ties, the number of changes in procedures and
technical means of operation, or the number of changed job positions. Already in the sixties of the twentieth century, attention was drawn to the fact that the changes accompany additional expenditures causing deterioration of the organization's efficiency. W. Brown (for [Curie R.M., p. 364]) wrote: "Every reorganization it costs money and its sensibility depends on the benefits of its performance exceed the costs it incurs." Milewska, A., and M. Jozwik [2014, p. 104-105] claims that every significant change leads first to worsening the situation before it improves it. This course of the curve organizational efficiency in the period of change is called a "reorganization curve" [Grudzewski J, Wieslaw M., and I. K. Hejduk 2012, p. 95-111; Gareis R 2010, p. 314-327]. Factors lowering the organization's efficiency in the period of changes appear already in the phase change design. They have their source both in emerging additional costs and reduced ability to generate revenues of the organization.

2. CURVE OF THE EFFICIENCY - THE BEING, DETERMINANTS OF THE DEPTH AND THE DURATION

The picture below 1, depicting the being of the phenomenon will be a point of departure for deliberations. On the y-axis a level of the fitness of the organization in the process of changes was marked. An efficiency is lacking one synthetic measure, therefore they in practice propose using the set specific, of the detailed criteria. It is possible to acknowledge that the curve of the efficiency described in the above picture constitutes the resultant of those detailed measures (the individual course of each of them can differ from this outcome and in practice differs). The discussed scheme is demonstrating the general occurrence, that temporary lowering the level of the efficiency of the organization is accompanying every change, after the certain period the efficiency is returning to the level from before the change.

Figure 1 shows the course of the curve, which shows the efficiency of the organization in the event that it will undergo a change process aimed at achieving survivability and efficiency of the same organization if the change process is not undertaken [R. Gareis 2010, p. 325].

Point a on the timeline means the moment at which the decision on joining was made to work on the change, while point b - the moment when the project was approved for implementation and preparations for the change were made. In this period - called the design phase of the change - the organization loses more efficiency than it would if such work were not undertaken. An even greater difference in efficiency between the presented cases occurs in the phase of introducing the change on the section designated by points b and c on the time axis. Point c denotes the moment when the organization's efficiency in the event of being changed achieves the anticipated efficiency of the same organization if it had not been changed (anticipation is based on the organization's life cycle theory).

From the moment marked with the letter c, the efficiency of the organization in case of being subject to change exceeds the anticipated efficiency of this organization, if the process of change has not been undertaken.

In the period marked a-c, the organization incurs losses caused change due to the lower level of its efficiency caused by change. The amount of this loss could be called "the cost of change." During the time marked with the episode c-d, the organization already achieves higher efficiency than the constantly decreasing efficiency of the organization in the event
that it is not subjected to a change process. According to the life cycle, the unformed organization will be less and less able to compete.

Meanwhile, the organization undergoing change after bouncing from the "hole", that is, thanks to the end of the change process, it begins to enter into the maturation stage.

![Diagram of organizational efficiency](image)

**Figure 1.** Curve of the fitness of the organization in the period of changes

[Source: R. Gareis R, 2010]

Only later occurs consumption the effects of change. Law this has objective character and is disclosed even in the event of correctly carried out the change. It do not indicate however, that the promoters of change have only to accept the existence of this accordance [J.S. Armstrong, 2012, p. 197]. Can have they since influence on this, how long lasts the fall of efficiency and what sort is a scale of this fall [Hillman, Amy J., Albert A. Cannella, and Ramona L. Paetzold, 2014, p. 236].

They are this:

a) Range and the depth of changes. And so them the broader area organization encompasses changes and them they are more revolutionary, by this larger and longer lasting is a fall of efficiency. Larger is since the force of social resistance, larger cost of inurement, long time of acquiring practice.
b) The correctness of project. Goes here about the conformability of project with the next conditions of its realization. Them more project answers those conditions, by this smaller is a fall of efficiency and by this shorter lasts.

c) The strategy of the implementation of change. In general literature rolls up two extreme strategies of implementation and striking. The first from them indicates the arrangement of implementation during on the stages. Gives this the smaller fall of efficiency, but lasting longer. Late becomes the moment of access to planned the level of efficiency. Is necessary however to take into account with the loss of planned parts of advantages and with accepted exceeding by stakeholders waiting time on the effects. Radical change will carry for itself the shorter, but deeper fall of the efficiency of organization.

d) Scope of recruiting contractors for the change. He walks here not only for limiting resistances, but also for the excitation in directors of the change of genuine desire for concurring in the whole process (from the decision to take, by planning terminations, all the way to the realization). For them large scale of the cooperation of contractors in the process of changes, a fall in the efficiency is all the smaller and more briefly lasting. In optimal conditions right after implementing perhaps even to take place short-lived and slight increase of the efficiency of functioning of the organization. It results from calling the additional energy up amongst directors of the change. R.M. Curie [2013, p. 22] is expressing a view that these are exactly the social aspects of the change in the high-order way influence to the fitness of the organization in the period of changes.

e) Preparation of changes. He walks about technical, preparation organizational and personnel. Implementing and preparation stay to themselves in the relationship inversely proportional. The lack of sufficient preparing the change causes extending the lead time, discouraging contractors.

What for the practice results from the curve efficiency? It is worthwhile pondering in the next stages of the change management process.

3. PREPARATION PHASE

The stakeholders of the change are both the employees of the organization as well as its board, board of directors, owners, customers, suppliers, banks, social organizations. Organizations deciding to change must recognize how profound and long-lasting decline they are able to accept (how long workers agree to freeze wages, how much credit and how long they will be given to banks, how long suppliers will agree to wait To pay how long boards are willing to wait for the effects of the change and how much change costs they will accept). It is important to be aware that if an organization does not have sufficient resources to implement change, even the most promising endeavors must be accepted by stakeholders (internal and external). They then participate in the cost of the change [T.M. Amabile, R. Conti, 2015, p. 632]. From the level of their acceptance should then depend on the depth, the scope of changes and the way of implementation. It may turn out that some solutions will have to be abandoned or deployed over time. Neglect in this area results in conflicts, discouragements,
difficulties in implementing change. At worst, they may cause the organization to fail to achieve pre-change performance.

The two most common mistakes are too early and too late to make a change. In the first case it is a conviction that (due to variability of conditions) the only constant element of the organization's functioning is change. Changes are made before the organization uses all the capabilities inherent in the solution so far, thus reducing the resources that can be invested in the future change. It is also worth recalling here the concepts of K. Lewin [T.E. Burns, G. M. Stalker, 1994], who distinguished three phases of each change - thaw, change, freeze. Every change must leave the performers time to learn, acquire, practice, create new social relationships. The source of the hurry can also be discouraged by changes resulting from errors in the implementation of the change and the increase in waiting time for the effects. Instead of identifying and eliminating dysfunctions in implementation, we are dealing with a waiver of change [D.C. Hambrick, Mason P.M. 2014, p. 195].

On the other hand, it often happens to delay the change until it threatens to lose the organization's ability to continue functioning. This symptom may be a persistent loss of financial liquidity, the risk of taking over, bankruptcy, the introduction of commissioned management. This is even more alarming that the research conducted by the authors indicated that for 95% of the main managers and the strongest motives for making changes is to realize their inevitability. This results in a shift from a very low ceiling of efficiency. This narrows the scope and depth of the change that can be implemented and the time it takes. In practice, managers later explain the difficulties with insufficient financial possibilities.

Theoreticians and practitioners clearly are suggesting that one should think about the change in the period, when the organization is in the phase of the maturity, when is using and is accumulating effects of the previous change [J. M. Prochaska, J. O. Prochaska, D. A. Levesque, 2011, p. 250]. To think doesn't already mean to lead, however predicting future conditions means, direction of potential changes, withdrawal of action preparing conditions. Then we are starting the change with the back financial, being an effect of the previous change. So we are having a very good chance to decide on the scope, the depth and the time of implementing the change. Only then it is possible to make decisions on the change, of her purpose (assumed level of the elimination of the dysfunction) and costs of the conduct. In this area the manager should be aware of the following relationships:

- the more rational (in line with the anticipated future implementation conditions) is the project, the shallower and shorter the decline will be,
- the existence of so, "Inborn defects" of the project is an objective phenomenon, mainly due to two prerequisites.

First of all, the element of the project is human, and its behavior is subjective, difficult to predict. Secondly, there is no way to simulate the functioning of a project, as it sometimes has in terms of technical systems. As a result, actual project verification takes place only when it is implemented. However, this does not relieve managers of the change from the obligation to make any necessary adjustments, - the quality of the project is important for the design team. The literature [T.M. Amabile, 2013, p. 125-126] gives three possible solutions to the problem. You can outsource the project to a consulting company. This results in the following consequences - good knowledge of design methods and techniques, modern solutions, objectivity, but poor knowledge of the specificity of a particular organization, the sense of alienation of workers. The opposite solution is to set up a design team with their own
employees. Here in turn we have a good knowledge of the interior of the organization, a sense of subjectivity of employees, but poor knowledge of leading solutions, methods and techniques of design, the risk of entanglement in internal systems, preferential solutions.

It seems that it is most rational to appoint teams composed of own employees and outside professionals. Since this solution carries the risk of conflict between the two groups of team members, it is important for each of them to assign tasks corresponding to their competencies. And so specialists should develop research methods and techniques, supervise research, participate in design, and oversee project implementation. Employees should conduct research, participate in project design and implementation. It is also important to choose the participants of the team.

They should come from all basic areas of the organization to ensure interdisciplinary of the project. They should be able to articulate and justify their proposals, be open to the suggestions of others, and consider project changes in terms of the interests of the entire organization. It is also important for team members to act as a liaison with the rest of the team. It is about propagating, justifying the solutions adopted, to provide feedback to the team for suggestions and suggestions to design a rational solution is the variant in design. It’s about leaving the "first satisfactory" solution. We then have a chance to find a project of higher rationality. We also have ready-made options for other than expected operating conditions.

Another issue is the choice of the project strategy. In this case, J. Machaczka proposes two different approaches [J.M. Prochaska., O.J. Prochaska, D.A. Levesque 2011, p. 250]. One assumes the design of a reactive (follow-up) change. This means designing a change tailored to the current conditions. With the current turbulent environment, the change after implementation may be outdated. The second proactive approach (anticipation) assumes anticipation of the future operating conditions of the organization and design changes under these future conditions. While this is a risky approach, it is the only one if you want to take on a competitive position. The more proactive we use, the less likely we will be forced to make changes and bear the costs. By choosing an approach, however, we need to adjust them to the level of volatility in our industry.

A. Milewska is presenting the interesting approach towards the strategy of changes [2014, p. 137-144]. Because he is paying attention to the need to associate changes incremental (of effects serving the current coordination and the temporary improvement of action) with the vision of structural changes (essential to long-term building and the organization development). The ones first one should perceive as ensuring income, future costs needed for the stability or the simply specific buffering of structural changes, organizations building long-term market chances. It is necessary however to be aware of threats of such an approach. So putting reserves aside for future proactive changes is connected with postponing current changes in the time of "consuming", employee conflicts, the need for the alteration or the refraining from proactive changes and with staying at incremental corrections.

Lastly, the issue of choice of scope and rate of change remains. They should be dependent on their own financial ability and the recognized level of acceptance by stakeholders of the depth and duration of impairment. So be aware that the more radical changes and faster implementation, the deeper the decline, but the shorter it will take. However, we must either have our own means of covering the costs of change or accepting certain financial support from our shareholders.
Otherwise we are forced to either reduce the scope of the change or lengthen its implementation. This, however, poses a certain risk of discouraging performers, the need to make another change later.

4. IMPLEMENTATION PHASE

Better prepared conditions for the implementation of the change, the more efficient and faster the implementation, the greater the range of invention and activity of the implementers. The fall in fitness is less deep and shorter. The scope of the preparatory actions will depend on the scale of the needs arising from the project and the current state of the needs. However, preparation does not mean that all conditions need to be prepared before implementation, but it is certain that the necessary conditions are met in accordance with the implementation schedule. The change manager should take and implement the following actions: obtaining approval for the adopted change proposal. The first thing is to get the consent of the decision makers or stakeholders (supervisors, board, supervisory board, owners, banks). The choice of the decision-making body will depend on the depth and scope of the change. On the other hand, it is also necessary to accept the project by contractors. This should be thought from the moment the change is planned. Various techniques are known and described for the acceptance of change implementers.

The most comprehensive and most synthetically is the problem P.F. Schlesinger, V. Sathe, L.A. Schlesinger, J. Kotter [for: J.M. Prochaska., O.J. Prochaska, D.A. Levesque 2011, p. 251-253] who exchange: assistance and support, communication, education, participation, negotiations, cooptation’s. It is also important to recognize attitudes to changes in individual employees and to assign them the right role in a particular change. This problem presents the two-dimensional classification of "players".

Traditionalists should be able to emphasize what was good in the present solution, to pay attention to the possible dangers of the adopted solutions. You will then be able to make the appropriate adjustment and reduce the risk of too early or unreasonable change. Indifference should be persuaded to change, showing its assumed effects. Lastly, animators should monitor the organization, indicate the time and place of possible changes. Their proposals, however, must be analyzed [T.M. Amabile, 2013, p. 127-132] You can not assign permissions to a change. This could threaten the "vicious circle of change" with all its negative consequences:

a) organizational preparation. It starts with planning a deployment schedule, in which we envisage implementation time, stages and implementers, task division. We need to take into account the fact that over-decay over time weakens the dynamics of change and, on the other hand, takes into account our own possibilities for real time reductions. It is also important for everyone to know what is his role in the change process.
b) technical preparation. It means gaining the technical resources necessary to implement the change (such as rooms, technologies, raw materials, machinery and equipment) in a timely manner. It allows you to smoothly and seamlessly implement change and fit in your schedule. The scope, quality and timing of the acquisition and the source of the conditions and form of the acquisition,
c) staffing. This includes the following activities: recruitment, dismissal, transfer, training. The purpose of supervision is to take corrective actions, where corrective actions are observed, to allow correct and timely implementation of the change. This is not an ex post check, where the abnormalities will only appear as negative end effects - prolonging the time and depth of degradation. It is about control in the course of action, which makes it possible to make the change as intended. It is worth noting that control should be vanishing until it reaches normal level of control.

5. EFFECT CONTROL

The main problem is the awareness of the two "bottom right" recommendations. First of all, you can not control the effects as soon as you make a change, because you will always notice a drop in performance. Practice shows that change managers do not always follow this guideline. Observing the decrease in efficiency starts the next change and the next decrease in efficiency. This is due to a lack of awareness, and sometimes it is intended to discredit the change. Secondly, with effect control, you have to wait until the performance parameters of the organization stabilize. It can then be assumed that the organization has achieved the level of fitness resulting from the change.

It is difficult to uniquely determine the temporal limits of effects control. This is a task for the change manager and requires experience. Surely consider the scope and depth of changes, preparation conditions for implementation.

6. SELECTED METHODS OF ASSESSING THE EFFECTIVENESS OF CHANGES

In the literature on the subject, methods of effectiveness testing organizational changes can be divided into three, partially overlapping sets: universal research methods, organizational methods developed for other issues, but possible to be used in assessing organizational changes, Specialist methods (dedicated) used only in the assessment organizational changes [R. Gareis, 2015]. In the process of studying the effects of organizational changes, use also can be appropriately modified (sometimes with range extension) selected investment assessment methods, e.g.

- discounted cash flow account,
- economic added value,
- Total Cost of Ownership,
- Balanced Scorecard,
- Real Options Valuation,
- updated net value (NPV),
- internal rate of return (IRR),

and even the BEP method (searching for breakpoint) [R. Gareis 2015]. B. Stewart proposes to use the revised version for this purpose EVA (economic value added) [McWilliams, J. Michael, et al 2014]. Original author's concept on the role of the EVA index, modified with effects globalization [Child J. 2012]. Also D. Reda, describing in detail his own research,
indicates that effective measurement of organizational changes can also be based mainly on the economic value added EVA - Economic Value Added (B. Dordevic 2010).

However, it should be remembered that in most cases the impact assessment of organizational changes are carried out in conditions of uncertainty. When deciding on the appropriateness of making changes, one should take all risk elements and possible ways to test the effects. Sometimes it is advisable to create adequate reserves, which in extreme cases may outweigh the benefits when making decisions about implementation and implementation of changes. The main purpose of organizational changes is usually to create or developing new opportunities at a specific time in the organization. Each change process as indicated has a strictly defined scope and type of execution works and cost projections. These are sufficient elements to start a comprehensive analysis and implementation evaluation. The multifaceted nature of changes means that usually mixed analysis (measurable and unmeasurable) is possible, and the assessment has most often comparative and approximate character. Quantitative criteria apply technical and economic aspects. Non-measurable criteria apply between other: implementation realities, social, cultural and psychological aspects.

These criteria are sometimes called irrational (non-technical), non-economic) because the assessment made with their help is subjective and dependent on the assessors. Eliminating errors related to this the kind of assessment allows to a certain extent a long-term professional evaluation. Gareis R. believes that the analysis of the effects of introducing a new organization (Feasibility Studies) should aim at checking whether the general and specific objectives of the organizational undertaking and the assumed measurable - both economic and non-economic effects have been realized, and to what extent and what are the reasons for possible deviations from the values assumed in the change project [R. Gareis, 2012, p. 325, Ashforth B. E., F. Mael, 2014, p. 45].

In order to obtain high credibility of the results of introduced changes in the organization without a doubt, while conducting research, the following postulate should be met: reliability, objectivity, comprehensiveness and standardization measurement results.

From the recommendations of the theory of management sciences [R. Gareis, 2012, p. 325, Ashforth, B.E., F. Mael, 2014, p. 45, J. Child 2012 p. 67-68] show that in all conditions one should adapt to changes quickly, intelligently and rationally. Managers are therefore forced to analyze and evaluate events in two ways, to simultaneously diagnose destabilizing factors, identifying them both in the environment and inside the organization. Management does not consist in passively responding to the changing environment and adaptation of proven and used methods by competitors, but in meeting the future needs of the market, skillful adaptation and use of revolutionary, original and new methods, constituting a significant surprise for the competition. The second pole of the organization's management is striving to achieve what is in its interest, that is shaping the economic environment, planning, initiating and carrying out changes. As a consequence, it can be stated that modern management - in turbulent changeable conditions - is a journey through chaos caused by uncertainty, constructing reality from available elements, ideas, people and relationships, formal and legal institutions, material and monetary resources and the right to dispose of them, to achieve the intended development goals.

Making changes in the organization is therefore in contradiction with the need of security and safety commonly felt by people. Management methods are aimed at avoiding uncertainty. Unfortunately, the condition for applying forms of change management in the organization, adequate to the new situation is change, which consists in moving from an
organizational culture conducive to avoiding uncertainty to a culture facilitating high tolerance of uncertainty in the social environment of the organization [T. M. Amabile, R. Conti 2015, p. 124-127]. It can be expected that in the near future all or almost all employees will have to be able to deal with uncertainty and not feel it as a particularly stressful and paralyzing activity. Thanks to this, it will be possible to create an organization that has the ability to consciously shape the conditions of its operation. It means not only the ability to define the vision and determine the direction in which the organization is heading, but also the ability to persuade others to pursue the same direction.

Summing up, the conditions for managing change in organizations are becoming more and more acute, and the scale and scope of uncertainty is increasing and the risk of failure of changes is increasing. Therefore, to ensure the organization of conditions for development, the need and importance of professionalization of change management is increasing, among others using the entire arsenal of methods, tools and instruments offered by individual schools of thought, creating management sciences. The methods offered by the management sciences alone will not ensure the organization's success. Nevertheless, they will help in avoiding the dangers that it creates, such as uncertainty and the risk of change. The organization's ability to predict change and then plan its future in conditions accompanying its functioning (globalization, hyper-competition, technological acceleration, Internet development, cultural changes, etc.) that generate uncertainty and risk becomes an indispensable skill. The ways of controlling the uncertainty of change consisting in its quick perception, proper recognition, accurate valuation and, consequently, effective minimization of its risk-taking effects, have become a permanent component of modern change management.

7. CONCLUSIONS

Literature presents a wealth of approaches in determining the stages of the change management process, individual authors present their own point of view in this respect. However, do not forget that the change process, and in particular the phase implementation is not based on rigid rules, mechanisms, top-down models and methods, but simply on the probability of specific events. Initiating the change process requires flexible adaptation to challenges. The existence of a "curve of change" is of an objective nature, independent of rationality of the change process. Change managers, however, have through its effects affect the depth and duration of this decline efficiency. Thus, the presented article shows the activities in each phase of the change cycle, thanks to which the organization will gain long-term capabilities dealing with changes in conditions. Changes can not be avoided these days. That is why organizations that want to achieve high results have to demonstrate a far-reaching readiness for transformation and a great commitment to the process of changing and managing them. In managing change, continuous improvement is extremely important, which not only makes it easier for the company to operate efficiently, but also enables a flexible approach to change. However, keep in mind that making changes, as well as continuous improvement, it is not a single event, after which results are visible from day to day, but rather a long-term process. For it to bring the desired effects, it must become part of the "life" of the company and penetrate its internal structures and ranges responsibility and awareness of employees and managers.
To keep up with the booming market, organizations need to look for opportunities to build a competitive advantage. Competitive advantage is increasingly determined not only by innovation, knowledge, experience, but above all speed and precision of responding to customer needs, which is the result of effective implementation of changes, and especially understanding the need for their implementation. In the change management process, managers need to make key decisions - what should be changed first and how to overcome emerging problems when implementing changes. Knowledge of the "change curve" allows to recognize determinants shaping and influencing the duration and depth of the organization's efficiency in the period of change.

References

